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May 05, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO INPATIENT INTENSIVIST AND  
HOSPITALIST SERVICES AGREEMENT  
(SUPERVISORIAL DISTRICTS 2 and 4)  
(3 VOTES)**

**SUBJECT**

Approval of an amendment to the Agreement with Primary Critical Care Medical Group for the continued provision of Inpatient Intensivist and Hospitalist services at Harbor-UCLA Medical Center.

**IT IS RECOMMENDED THAT THE BOARD:**

Authorize the Director of Health Services (Director), or his designee, to execute an amendment to Agreement No.75936 (Agreement) with Primary Critical Care Medical Group (PCCMG), effective upon Board approval, increase the maximum obligation for Harbor-UCLA Medical Center (H-UCLA MC) by \$1,227,000 to further continue Inpatient Intensivist and Hospitalist (IIH) services at H-UCLA MC, and increase the period of funding thereof effective June 1, 2015 through May 31, 2016, while the Department of Health Services (Department) completes its transition of contracted services to County employees.

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

22 May 5, 2015

PATRICK O'GAWA  
ACTING EXECUTIVE OFFICER

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended action will allow the Director, or his designee, to execute an Amendment, substantially similar to Exhibit I, to provide H-UCLA MC with additional time to complete its recruitment and hiring of County physicians to perform IIH services currently provided by PCCMG.

The Board previously approved an amendment to extend the Agreement term for an additional three-years through November 30, 2016 to provide the Department with the necessary time to fully transition contracted services to County physicians at Rancho Los Amigos National Rehabilitation Center (RLANRC) by the Agreement's expiration date, while requiring a shorter timeframe for H-UCLA MC to transition services by November 30, 2014. The Board also delegated authority to the Director of Health Services, or his designee, to extend services at H-UCLA MC and RLANRC, not to exceed six months beyond each facility's transition date, in the event that either of these facilities encountered significant challenges to recruit, hire and retain qualified County physicians to perform IIH services by their projected transition date. Pursuant to the delegated authority, DHS amended the Agreement to extend the period of funding and continue the provision of services at H-UCLA MC for an additional six months through May 31, 2015.

H-UCLA MC initially focused on using medical staff from its existing pool of full-time and relief physicians, including post-graduate fellows on a part-time basis. However, the facility experienced a significant amount of turnover, and could not retain such physicians on a long-term basis due to competing time schedules for direct patient care and supervision/teaching of medical residents and interns. Further, H-UCLA MC was unable to retain post-graduate fellows on a temporary basis due to competition from non-County entities. To date, H-UCLA MC has filled five out of the ten full-time positions needed to establish a permanent IIH department.

H-UCLA MC will launch an aggressive recruitment campaign and decrease its contractual reliance on PCCMG accordingly. H-UCLA MC will also continue its efforts to use in-house, relief, and temporary medical staff on an as-needed basis.

## **Implementation of Strategic Plan Goals**

The recommended actions support Goal 1, Operational Effectiveness of the County's Strategic Plan.

## **FISCAL IMPACT/FINANCING**

The County's maximum obligation to provide services at H-UCLA MC for the extension period of funding, June 1, 2015 through May 31, 2016, is \$1,227,000, while the County's maximum obligation for RLANRC shall remain unchanged and continue annually at \$4,120,000 through November 30, 2016.

As each hospital implements its transition plans and hires County-employed physicians, the actual contract expenditures will decrease, but cannot be accurately projected at this time due to the uncertainties in the recruitment and hiring of such physicians.

Funding is included in DHS' FY 2015-16 Budget and will be requested in future fiscal years, as needed.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Board made a finding pursuant to Los Angeles County Code section 2.121.420 that the IIH Services can more feasibly be performed by independent contracts, and subsequently approved and executed the Agreement with PCCMG for the provision of IIH services at Martin Luther King, Jr. – Harbor Hospital. The Agreement was later amended to add RLANRC, H-UCLA MC, and LAC+USC Medical Center (LAC+USC MC) to ensure the timely discharge of patients in the emergency room and inpatient wards so as to increase hospital inpatient capacity. LAC+USC MC successfully transitioned hospitalist services in-house in February 2013. H-UCLA MC and RLANRC continue with their transition efforts as previously discussed.

The Agreement includes language allowing either party to terminate the Agreement, with or without cause, with a 30-day advance written notice by County to PCCMG, and a 120-days advance written notice by PCCMG to County, and includes all Board of Supervisors' required provisions, including the most recent provision "Time Off for Voting."

County Counsel has reviewed and approved Exhibit I as to use and form.

### **CONTRACTING PROCESS**

Pursuant to delegated authority authorized by the Board on November 28, 2006, the Department issued a Request for Information to select a Contractor and execute the Agreement with PCCMG as a result of the then impending closure of MLK-Harbor. The Board has approved the extension of the Agreement thereafter.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will allow the provision of IIH Services at H-UCLA MC to continue uninterrupted until the Department transitions services using County-employed physicians.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:ck

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

Agreement No.: 75936

**INPATIENT INTENSIVIST AND HOSPITALIST  
SERVICES AGREEMENT**

**AMENDMENT NO. 13**

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2015

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

PRIMARY CRITICAL CARE  
MEDICAL GROUP  
(hereafter "Contractor")

Business Address:

2255 North Ontario St., Suite 100B  
Burbank, CA 91504

WHEREAS, reference is made to that certain document entitled "INPATIENT INTENSIVIST AND HOSPITALIST SERVICES AGREEMENT" dated November 30, 2006, and further identified as County Agreement No. 75936, and any amendments thereto (all hereafter "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to increase the maximum obligation of Harbor-UCLA Medical Center by amounts described herein, for the period June 1, 2015 to May 31, 2016, so as to provide additional time for Harbor-UCLA Medical Center to complete its transition plan using County physicians; and

WHEREAS, the Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall commence and be effective upon execution as reflected in the date hereinabove written.

2. Agreement, Paragraph 1, TERM AND TERMINATION, is deleted in its entirety and replaced as follows:

“1. TERM AND TERMINATION:

The term of this Agreement shall commence on December 1, 2006, and shall continue in full force and effect to and including November 30, 2016.

The County shall have the sole option to extend this Agreement term on a month-to-month basis for up to six (6) months, for a maximum total Agreement term of ten years and six months. Such option shall be exercised at the sole discretion of the Director or his/her designee as authorized by the Board of Supervisors.

This Agreement may be extended only by a formal amendment approved by the Board of Supervisors.

This Agreement may be terminated at any time by County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor. Contractor may terminate this Agreement at any time, with or without cause, upon the giving of at least one hundred twenty (120) calendar days' advance written notice thereof to the County.

The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

3. Agreement, Paragraph 3, AGREEMENT SUM, Subparagraph C is revised as follows:

"3. AGREEMENT SUM:

C. As to the provision of services at Harbor-UCLA:

1) For that period May 6, 2008 through November 30, 2008, the Maximum Obligation for services provided shall not exceed Eight Hundred Nine Thousand Dollars (\$809,000).

2) For that period December 1, 2008 through November 30, 2010, the Maximum Obligation for services provided shall not exceed Two Million Eight Hundred Twenty Thousand Dollars (\$2,820,000)."

3) For that period December 1, 2010 through November 30, 2012, the Maximum Obligation for services provided shall not exceed Five Million Sixteen Thousand' Dollars (\$5,016.000).

4) For that December 1, 2012 through November 30, 2013, the Maximum Obligation for services provided shall not exceed Two Million Five Hundred Thousand Eight Dollars (\$2,508,000).

5) For that period December 1, 2013 through November 30, 2014, the Maximum Obligation for services provided shall not exceed Two Million Twenty Thousand Dollars (\$2,020,000).

6) For that period December 1, 2014 through May 31, 2015, the Maximum Obligation for services provided shall not exceed Nine Hundred Fifty Thousand Dollars (\$950,000)."

7) For that period June 1, 2015 through May 31, 2016, the Maximum Obligation for services provided shall not exceed One Million Two Hundred Twenty-Seven Thousand Dollars (\$1,227,000)."

4. Agreement, Paragraph 6, NONEXCLUSIVITY, is deleted in its entirety and replaced as follows:

"6. NONEXCLUSIVITY AND TRANSITION OF CARE

A. Contractor acknowledges that it is not necessarily the exclusive provider to County of the service to be provided under this Agreement.

B. Transition of Care. Contractor understands that County intends to directly perform Agreement services using County employees at Harbor-UCLA by May 31, 2016, and at Rancho by November 30, 2016.

1. Director and Contractor shall negotiate in good faith to reduce the Contractor's level of work required under this Agreement, or reduce the County's payment obligations accordingly, or revise such other terms and conditions, as may become necessary to implement and complete the transition by the target dates set forth above.

2. In the event that additional time is needed to complete the transition of care, County shall have the sole option to extend the target date for Rancho on a month-to-month basis for up to six (6) months.

3. All revisions under this Subparagraph B shall be accomplished through an Amendment executed by County and Contractor. Such Amendment shall be exercised at the sole discretion of the Director or his/her designee as authorized by the

Board of Supervisors. All other changes shall require approval by the Board of Supervisors.”

5. Agreement, Additional Provisions, Paragraph 1.0, Records and Audits, Sub-paragraph C, is deleted in its entirety and replaced as follows:

“C. In the event that an audit of the Contractor is conducted specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then the Contractor shall file a copy of each such audit report, including Service Organization Controls (SOC1) Reports, with the County’s Auditor-Controller within thirty (30) days of the Contractor’s receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).”

6. Agreement, Additional Provisions, Paragraph 21, Consideration of County’s Department of Public Social Services (“DPSS”) Greater Avenues for Independence (“GAIN”) Program or Greater Relief Opportunity for Work (“GROW”) Participants for Employment” is deleted in its entirety and replaced as follows:

“21. CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS

21.1 Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County’s Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor’s minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: [GAINGROW@dpss.lacounty.gov](mailto:GAINGROW@dpss.lacounty.gov) to obtain a list of qualified GAIN/GROW job candidates.

21.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.”

7. Agreement, Additional Provisions, Paragraph 29, Contractor's Exclusion from Participating in a Federally Funded Program is deleted in its entirety and replaced as follows:

**"29. CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM.**

29.1 Contractor hereby warrants that neither it nor any of its Subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, (which includes Medicare, Medi-Cal and Healthy Families) and that Contractor will notify Director within ten (10) calendar days in writing of: (1) any event that would require Contractor or any of the aforementioned parties' mandatory exclusion from participation in a Federally funded health care program; and (2) any exclusionary or suspension action taken by any agency of the Federal or State governments against any of the aforementioned parties' barring these parties from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

29.2 Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any exclusion or suspension of Contractor or its Subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a Federally funded health care program."

8. Agreement, Additional Provisions, is modified to add Paragraph 38, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (2 C.F.R. Part 376), as follows:

"38. Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, or directors or other principals, employees, or independent contractors is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owners, officers,



partners, directors, or other principals, employees, or independent contractors of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of the aforementioned parties its subcontractors or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.”

9. Agreement is modified to add Paragraph 39, Time Off For Voting, as follows:

“39. TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.”

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Mitchell H. Katz, M.D.  
Director of Health Services

CONTRACTOR

\_\_\_\_\_  
Primary Critical Care Medical Group

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

APPROVED AS TO FORM:  
Mark J. Saladino  
County Counsel

By: \_\_\_\_\_  
Ed Morrissey  
Principal County Counsel